



STATE BOARD OF EQUALIZATION

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State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
October 11, 2006
NOTICE AND AGENDA
(Amended 9/29/06)**

**Board Committee Meetings Convene at 9:30 a.m.*
Board Meeting Convenes upon Adjournment of the Board Committee Meetings****

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair, Mr. Chiang, may modify the order of the items on the agenda.

BOARD COMMITTEE MEETINGS

Business Taxes Committee..... Mr. Chiang, Committee Chair

1. Proposed new regulations to implement the Cigarette and Tobacco Products Licensing Act of 2003 found at sections 22970 to 22995 of the Business and Professions Code.

Property Tax Committee..... Mr. Parrish, Committee Chair

1. Consideration of Proposed Amendments to Property Tax Rule 462.040, *Change in Ownership – Joint Tenancies*

BOARD MEETING

ORAL HEARINGS

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS
There are no items for this matter.

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARING
(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

- B1. James W. James and Xuan T. James, 260720
For Appellant: James W. James, Taxpayer
Xuan T. James, Taxpayer
For Franchise Tax Board: Dennis Haas, Tax Counsel

C. SALES AND USE TAX APPEALS HEARINGS

(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

- C1. Chintala N. Reddy, 300410 (CH)
For Petitioner: Chintala N. Reddy, Taxpayer
For Department: Cary Huxsoll, Tax Counsel
- C2. Blaine, Inc./Heating and Air Conditioning, 290766 (KH)
For Petitioner: Roger Blaine, Taxpayer
Londa Blaine, Taxpayer
For Department: Robert Tucker, Tax Counsel
- C3. Rashed Enterprises, Inc., 241710 (KH)
For Petitioner: Appearance Waived
For Department: Kevin Hanks, Hearing Representative

LOCAL TAX REALLOCATION HEARING

- C4. Cities of Los Angeles and San Jose, LTR04-009
For Petitioner: Albin C. Koch, Attorney, City of San Jose
Robert Cendejas, Attorney, City of Los Angeles
For Department: Carole Ruwart, Tax Counsel

D. SPECIAL TAXES APPEALS HEARINGS

There are no items for this matter.

E. PROPERTY TAX APPEALS HEARING

(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

Petition for Reassessment of Unitary Escaped Assessment

- E1. Southern California Gas Company (149), 342132 – “CF”
For Petitioner: Peter Michaels, Attorney
For Department: Michael Lebeau, Tax Counsel

F. PUBLIC HEARINGS

There are no items for this matter.

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

(Contribution Disclosure forms not required pursuant to Govt. Code § 15626.)

G1 Legal Appeals MattersMr. Levine

- Petitions for Rehearing
1. Vernon C. Sorenson MD PC, 255501 (UT)
 2. Philip O. Hamilton, 260719 (KH)

G2 Franchise and Income Tax Matters..... Mr. Schreiter

➤ Decisions

1. ~~Del Dietrich, 268788~~
2. Expert Dealer Services, LLC, 330468
3. Douglas Gutierrez, 346083
4. Maximum Protection Systems, LLC, 329234
5. Fakhradin Mirian and Laura Mirian, 329166
6. Monica E. Ridley (Formerly Monica E. Esparza), 341520
7. Robyn Ryan, 336552
8. Helen Sauermann, 337097
9. Third Pine Associates, L. P., 315247
1319 Promenade L.P., 315315
10. Edward E. Vargas, 318237
11. Harold Wachter, 337091
12. Ken M. Wilson, 335567

➤ Petitions for Rehearing

13. J. Mwah Polson, 306075
14. Craig Woods Schiemann, 300905
15. James L. Tarpo, 301163

G3 Homeowner and Renter Property Tax**Assistance Matters..... Mr. Schreiter**

➤ Decisions

1. Sonya Carrol, 339327
2. Mark Hill, 339290
3. Charles B. Holmes, 336604
4. Catherine L. Jackson, 336703
5. Fay Marylyn Knight, 334697
6. Harold L. Mitchell, 343370
7. Vickie Marie Orr, 338826
8. Charleane Raines, 339285
9. Sheila Laverne Sims, 339325
10. Robert F. Waters, Sr., 331516
11. Gloria Whitt, 339321

G4 Sales and Use Taxes Matters Ms. Henry

➤ Redetermination

1. California Institute of Technology, 260337 (AP)

➤ Denials of Claims for Refund

2. Tosco Corporation, 332646 (OH)
3. Circle K Stores, Inc., 332643 (OH)
4. Myprint Corporation, 359474 (EAA)
5. The Good Guys-California, Inc., 306015 (CH)
6. Novartis Inst.-Funct. Genomics, Inc., 359479 (FH)
7. Triad Financial Corporation, 310920 (EA)

G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry

- Credit and Cancellation
 1. Los Angeles SMSA, L. P., 359255 (OHB)
- Refunds
 2. Tooling & Special Machines Amer., 359143 (AR)
 3. Nissan North America, Inc., 308051 (AS)
 4. Chevron U.S.A., Inc., 348910 (BH)
 5. Fleet Card Fuels, 296481 (ARH)
 6. Press-Enterprise Company, 325581 (EH)
 7. Circle K Stores, Inc., 271027 (OH)
 8. Zale Delaware, Inc., 299383 (OHC)
 9. Citicorp Vendor Finance, Inc., 357942 (OHC)
 10. Rational Software Corporation, 359475 (GH)
 11. Unitek Corporation, 316911 (AP)
 12. Empire Southwest, LLC., 329580 (OH)
 13. Hane Chow, Inc., 262557 (CH)
 14. Myprint Corporation, 301288 (EAA)
 15. Officemax, Inc., 329568 (OHA)
 16. Citrix Systems, Inc., 243834 (OHC)
 17. Verizon Wireless Network Procurement, 316919 (OHB)
 18. Novartis Inst.-Funct. Genomics, Inc., 359478 (FH)
 19. Long Beach Acceptance Corporation, 259714 (EA)
 20. Triad Financial Corporation, 262507 (EA)

G6 Special Taxes Matters Mr. Gau

- Relief of Penalty
 1. United Healthcare Insurance Company, 357201 (ET) “CF”

G7 Special Taxes Matters – Credits, Cancellations, and Refunds Mr. Gau

- Refund
 1. Argonaut-Southwest Insurance, Company, 264564 (ET) “CF”

G8 Property Tax Matters..... Mr. Gau

- Petitions for Reassessment of Unitary Value
 1. Golden State Water Company (101), 358801 - “CF”
 2. Valero Refining Corporation (407), 359085 - “CF”
- Petitions for Penalty Abatement on Unitary Value
 3. California Northern Railroad Company (810), 359331 - “CF”
 4. San Joaquin Valley Railroad (897), 359332 - “CF”

There are no items for the following matters:

G9 Cigarette License Fee Matters

G10 Legal Appeals Property Tax Matters

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY
(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

H1 Legal Appeals MattersMr. Levine

- Petition for Rehearing
 1. Michael A. Olin and Janis G. Olin, 252307 (UT)

H2 Franchise and Income Tax Matters..... Mr. Schreiter

- Opinion
 1. Apple Computer, Inc., 152016
- Decisions
 2. Gold Country Women Investment Club, 287988
 3. Peter M. Soley, 310303

H3 Homeowner and Renter Property Tax Assistance Matters..... Mr. Schreiter

- Decision
 1. Marcos Prieto, 339280

H4 Sales and Use Taxes Matters Ms. Henry

- Redetermination
 1. James Gamblin, 345457 (EH)
- Relief of Penalty/Interest
 2. K-Mart Corporation, 353218 (OHA)
- Denials of Claims for Refund
 3. Western Digital Technologies, Inc., 238711 (EAA)
 4. Halliburton Energy Services, Inc., 356793 (OHC)
 5. New Vision Technologies, Inc., 334836 (EAA)
- Denial of Relief of Penalty/Interest
 6. Calgen Project Equipment Finance, 355514 (GH)

H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry

- Refunds
 1. Halliburton Energy Services, Inc., 207473 (OHC)
 2. Light & Sound Design, Inc., 354454 (AR)
 3. Virgin Mobile USA, LLC, 290234 (OHB)
 4. Valley Imports, Inc., 345180 (FHA)

There are no items for the following matters:

- H6 Special Taxes Matters
- H7 Special Taxes Matters – Credits, Cancellations, and Refunds
- H8 Property Tax Matters
- H9 Cigarette License Fee Matters
- H10 Legal Appeals Property Tax Matters

I. TAX PROGRAM NONAPPEARANCE MATTERS

There are no items for this matter.

CHIEF COUNSEL MATTERS**J. Rulemaking****Section 100 Change to Regulations**

- J1 Sales and Use Tax Regulation 1610, Vehicles, Vessels and Aircraft **Mr. Lambert**
- J2 Sales and Use Tax Regulation 1705.1, Innocent Spouse Relief from Liability **Mr. Lambert**

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

ADMINISTRATIVE SESSION**N. Consent Agenda Mr. Evans**

- N1 Approval of Board Employee Retirement Resolution**
- Rosie L. Gentry
- N2 Approval of Proposed Revisions to Audit Manual Chapter 6, Vehicle, Vessel and Aircraft Dealers**
- N3 Approval of Superior Accomplishment Award Nominees**
- N4 Sales Tax Prepayment Rate on Motor Vehicle Fuel, Diesel Fuel and Jet Fuel**

O. Approval of Board Committee Meeting Minutes

- O1 Business Taxes Committee
- O2 Property Tax Committee

P. Other Administrative Matters

- P1 Executive Director's Report.....Mr. Hirsig**
Executive Director's opportunity to report on matters of interest to the Board.
- P2 Budget Change Proposals..... Ms. Johnson**
- BCP No. 12: AB 1803 – Expanded Workload for Environmental Fee
 - BCP No. 13: E-Filing Infrastructure Project
- P3 Interagency Agreements Over \$1 Million Ms. Johnson**
1. Department of Toxic Substances Control. This contract provides for Board of Equalization to administer the Hazardous Substances Tax Program for the Department of Toxic Substances Control.

ANNOUNCEMENT OF CLOSED SESSION..... Mr. Evans**Q. Closed Session**

- Q1 Discussion and action on personnel matters (Govt. Code § 11126(a))
- Q2 Litigation: *Calpine Corporation; Los Esteros Critical Energy Facility, L.L.C.; Delta Energy Center, L.L.C.; and Calpine Construction Finance Company, L.P. v. State Board of Equalization, Santa Clara County; Contra Costa County; and, Sutter County, Los Angeles County Superior Court Case BC359455* (Govt. Code § 11126(e))

ANNOUNCEMENT OF OPEN SESSION Mr. Evans**ADJOURN**

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If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

The hearing location is wheelchair accessible. If you require assistance, please contact Claudia Madrigal at (916) 324-8261, or e-mail Claudia.Madrigal@boe.ca.gov to make special arrangements.

Gary Evans, Acting Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.